

## Assembly Bill No. 1799

### CHAPTER 370

An act to amend Sections 18761 and 18766 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 27, 2004. Filed with  
Secretary of State August 30, 2004.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1799, Mullin. Personal income taxes: contributions: Alzheimer's disease.

The Personal Income Tax Law allows taxpayers, until January 1, 2005, to contribute amounts in excess of their tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund. Existing law also provides that these contribution provisions are repealed if in any calendar year, beginning in 2000, the Franchise Tax Board estimates that the total amount so contributed will be less than the prescribed amount, as may be annually adjusted.

This bill would extend the operation of those contribution provisions to January 1, 2010.

*The people of the State of California do enact as follows:*

SECTION 1. Section 18761 of the Revenue and Taxation Code is amended to read:

18761. The Legislature finds and declares all of the following:

(a) Alzheimer's disease and related dementia disorders are devastating health conditions that cause a loss of intellectual functioning so severe that they interfere with an individual's daily functioning and eventually result in death. These conditions affect 10 percent of Californians over the age of 65 years and 50 percent of Californians who are 85 years of age or older. They cause serious financial, social, and emotional hardships on those affected and on their family caregivers.

(b) The total annual cost of caring for individuals with Alzheimer's disease and other dementia disorders in California is over \$10 billion. These conditions cost California businesses \$3.3 billion annually, most of which is due to the lost productivity of family caregivers. Approximately 50 percent of all nursing home admissions in California are attributable to Alzheimer's disease and related dementia disorders.

(c) While scientists have made great strides in understanding Alzheimer's disease and other causes of dementia, there is no known prevention or cure at this time.

(d) It is the intent of the Legislature, in enacting this article, to establish a systematic program for the conduct of research regarding the cause, prevention, diagnosis, cure, and treatment of Alzheimer's disease and related disorders. The outcome of this research may have direct effects and consequences on the development of a comprehensive system that will provide diagnoses and treatment to victims of those health problems. This program shall award grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling those organizations and persons to conduct research.

SEC. 2. Section 18766 of the Revenue and Taxation Code is amended to read:

18766. (a) This article shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2010, deletes that date.

(b) If, in any calendar year, the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000) for taxable years beginning in 2000, or the adjusted amount specified in subdivision (c) for subsequent taxable years, as may be applicable, then this article is repealed with respect to taxable years beginning on and after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 1992, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall



continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

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